



National Laboratory

*Creating a More Strategic and Entrepreneurial Culture:
Increasing New Program Development by 30%*

Learning as Leadership Case Study

Over a three and a half year period, LaL supported key leaders and stakeholders from a national laboratory to dramatically shift their skill-sets from being an internal lab service provider with shrinking government funding and impending layoffs to one that was more entrepreneurial and strategic. Through their participation in the 4-Mastery training courses, on-site consultation and facilitation support, the Division Director, Section Heads, Group Leaders, research and technical staff members became more effective and productive. This endeavor required a major culture change and resulted in a 30% increase in funding over the period of LaL's engagement from late 1998 to early 2002.

Phase I: Developing a Strategic Plan

In Phase I of the project, the Division Director and his Section Heads (the organizational leadership team) focused on developing the strategic plan. With LaL's assistance, they also uncovered the unproductive organizational and cultural issues and team dynamics that would undermine buy-in and inhibit the plan from being successfully implemented.

Some of the core realizations were:

- "Perfectionism/over-analysis": the product (the strategic plan in this case) had to be perfect before it could be delivered; as such, it risked being endlessly delayed.
- "We are the expert" Syndrome: leaders and staff would not acknowledge weaknesses or ask for help, leading to inaction on difficult endeavors.
- Conflict Avoidance: there was a lack of directness in the leadership and a difficulty in holding people accountable.
- Turf protection/Silos: different programmatic and functional leaders feared sharing resources, leading to an overall situation of scarcity and inefficiency.

Through a series of workshops, individual coaching and team facilitations, the management team developed a structure and process for defining the organization's strategic plan. To improve their ability to interact with staff during the definition and implementation phases of the plan, they learned skills and tools to better understand how their individual behaviors contributed to the cultural dynamics. Their commitment, with LaL's coaching and facilitation support, to modeling the changes the division needed to succeed enabled them to better lead their organization through the change process.

The result of the first phase was a strategic plan that everyone in the organization bought into and used as a roadmap for the subsequent growth.

Phase II: Building Real Teamwork

Phase II focused on addressing the core organizational issues that the strategic planning process in Phase I brought to the surface. While meeting with staff members to develop the strategic plan, the management team discovered that research staff had a lot of fear, anger and mistrust towards management. Communication was poor, and employees feared reprisal for speaking up. The rumor of impending layoffs due to a lack of funding increased the tension. Drawing on information that surfaced through the feedback process, LaL determined that the main effort should focus on bridging the gulf between management and staff and creating more collaboration and communication across the organization. Participants in this phase included the Division Director, Section Heads as well as the broader set of Group Leaders.





Through the seminar training process and with subsequent coaching and facilitation, the team learned how to hold reports accountable, give and receive feedback, and step out of blame and judgment of others in order to better support inter-group collaboration. Coaches also supported the team leaders to develop their leadership and communication skills in order to provide better and more consistent feedback in performance reviews (a traditionally weak area). Leaders were able to provide more direction and create developmental plans for their staff members. Results for



the second year included far more cooperative teaming and project productivity. Towards the end of this year, LaL also began working with the leadership of a sister division on similar issues.

Phase III: Growing Cross-Team Programs

Assessing the results of the first two years and re-evaluating the strategy, LaL decided it was time to address the division's main challenge: high charge-out rates and lack of funding. The focus in Phase III thus shifted to developing new business in the form of private sector and DOE program funding and increasing accountability for meeting budget. Three cross-functional teams comprising the Division Director, Section Heads, Group Leaders and research staff (who were included to be able to bring the change effort down into the organization) were formed around three areas of emerging technology that were identified as having the highest potential for bringing in maximum funding to the organization.

There existed long-standing competition, mistrust and unresolved conflict to the point that certain researchers refused to work together, either within the Division or in other Divisions in the lab. Working with LaL, the teams were able to

resolve these issues and develop a strategic plan for their particular target area that included areas for improvement, financial goals and strategies for

“I came here to do research, not be a sales person. Even just picking up the phone to call someone made me feel like one of those annoying sales reps calling at dinner time. Now that I’m stepping out of my comfort zone, the ripple effects on my work as a scientist have helped me realize a potential

I never even knew I had!

“schmooze” and sell. LaL also focused significant effort on supporting management to achieve their budget through stabilizing charge-out rates and reducing overhead, which involved dramatically increasing the clarity of their accounting practices and stepping out of conflict avoidance to encourage staff growth.

RESULTS

- The development of a strategic plan that took input from the whole organization and therefore benefited from unprecedented buy-in.
- Long-standing silos & turf battles were dissolved; a culture of collaboration was created.
- Leaders learned and successfully implemented performance management skills for their direct reports.
- Team members were able to bring in projects ranging in scope from \$.5 million to \$30 million. One group obtained a 20% growth in the first year and maintained it in subsequent years. Overall funding increased 5.2% in FY '99, 6.5% in FY '00 and 14.7% in FY '01.